

OVERVIEW

This section describes the City of Detroit governmental structure, financial procedures, budget development process, and long-term operational and financial policy, and it highlights recommended items in the 2003-04 budget.

GOVERNMENTAL STRUCTURE

Pursuant to the provisions of the State Constitution, Detroit is a home rule city with significant independent powers. In accordance with the Charter, the governance of the City is organized in two branches: the executive branch, which is headed by the Mayor, and the legislative branch, which is composed of the City Council and its agencies. The Charter also provides for an independent City Clerk who serves as Clerk to the Council and Chairperson to the Elections Commission. The Mayor, City Council members and the Clerk are elected every four years. The next regular election for these positions will be in November 2005. There is no limit to the number of terms that may be served by elected officials.

Following is a description of the duties and responsibilities of the various branches of City of Detroit government.

The Charter provides that the voters of the City reserve the power to enact City ordinances by initiative, and to nullify ordinances enacted by the City by referendum. However, these powers do not extend to the budget or any ordinance for the appropriation of money, and the referendum power does not extend to any emergency ordinance. A Charter Revision Commission established by the City electorate in the

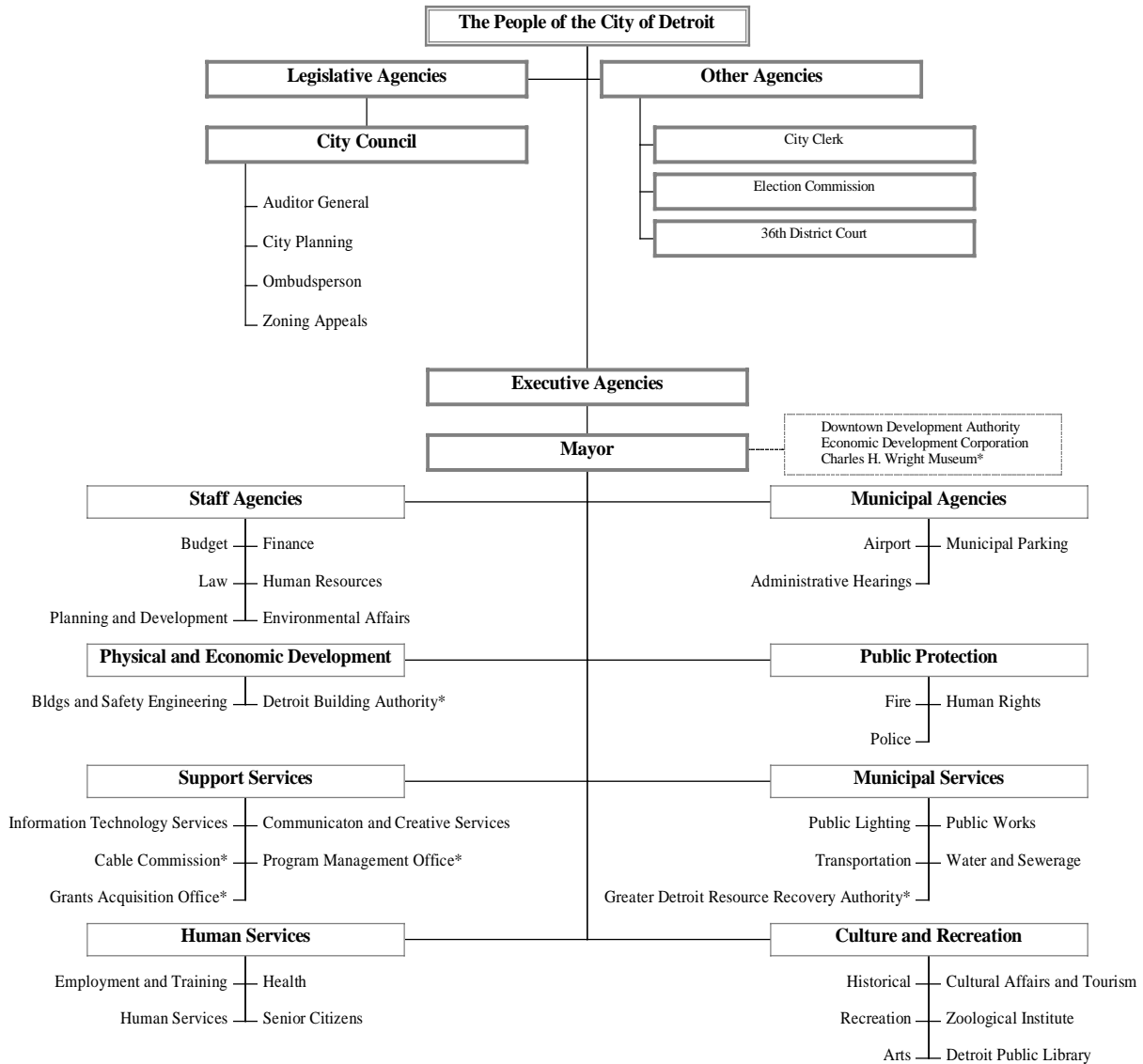
November 2, 1993 general election, issued recommendations in the spring of 1996 which the City electorate approved in the August 6, 1996 State primary election, to take effect January 1, 1997. Most provisions of the 1974 Charter were carried forward into the new charter. Some of the more significant changes included the establishment of a process by which traditional City-provided services may be contracted to non-public entities; a requirement to hold public hearings on budgetary matters prior to the initiation of the Budget process; changes to the appointment process of certain managerial positions; and designation of the Environmental Affairs Department as a Charter-mandated staff department.

The Mayor as chief executive of the City has control of and is accountable for the executive branch of City government. The Charter grants the Mayor broad managerial powers, including appointment of most department directors and deputy directors. The Charter delegates solely to the executive branch the responsibility for implementation of most programs, services and activities. The Mayor must prepare an Executive Organization Plan (EOP) setting forth all agencies of the executive branch and assigning authorized programs, services and activities to each, including the six staff departments (in Article 6), six operating departments and a variety of other specified functions (in Article 7).

Mayor Kwame Kilpatrick's EOP calls for 28 operating and staff departments, including: Police, Fire (including emergency medical

City of Detroit Organization Chart

2003-2004 Executive Budget



service), Public Works, Health, Recreation, Transportation, and Water and Sewerage. Water and Sewerage Department policies are set by a Board of Commissioners. Early in 2000, a judge appointed the Mayor Special Administrator of the Wastewater Treatment Plant to prevent recurrent environmental noncompliance, and this oversight has been left in place indefinitely.

The City is not responsible for traditional welfare programs; however, the City does administer a number of social assistance programs through its Human Services, Employment and Training and Senior Citizens Departments. Generally, these programs are funded from the Federal or State of Michigan grants or from funds received from the private sector.

Financial operations of the City are carried out through the appointed positions of Finance Director and Budget Director. The Finance Director is the Chief Financial Officer of the City overseeing most financial functions of the City, including coordinating financial activities, collecting and disbursing funds, directing accounting procedures, purchasing goods and services and the assessing of property in the City. The Budget Director is responsible for the development of program and service objectives, controlling and supervising the expenditure of funds, long term financial planning, and for assisting the Mayor in the preparation of the City's annual budget and long-term capital agenda.

The City Council, composed of nine members elected at large for 4-year terms, is the City's legislative body. The City Council has the power to override the Mayor's veto with a two-thirds majority of its members.

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Three agencies that aid the City Council in the performance of its duties are described below.

The Auditor General is appointed for a term of 10 years by a majority of City Council members serving and may be removed for cause by a two-thirds majority. Any person who has held the position of Auditor General is not eligible for reappointment. By Charter, the major duty of the Auditor General is to audit the financial transactions of all City agencies; however since 1980 the City has retained independent accounting firms to perform that function. Due to the requirements of State law, annual audits are performed, although by Charter, internal audits are required only every 2 years. The Auditor General may investigate the administration and operation of any City agency and prepares various reports including an annual analysis for the City Council of the Mayor's proposed budget.

The Ombudsperson is appointed for a term of 10 years by a two-thirds majority of City Council members for the purpose of investigating any official act of any agency (except elected officers) which aggrieves any person.

The City Planning Commission, consisting of nine members appointed by the City Council for 3-year terms, advises the City Council on such matters as the annual capital budget, certain development or renewal projects and proposals for the demolition, disposition or relinquishment of, or encroachment upon, public real property or public interests in real property.

The City is responsible for the financial and administrative affairs relating to the 36th

District Court. 36th District Court is Michigan's largest limited jurisdiction court, handling over 400,000 criminal, traffic, civil and parking cases filed in the City each year.

Local School Boards are separate local jurisdictions in Michigan. In March of 1999 State legislation gave the Mayor of Detroit the responsibility of appointing six of the seven members of the Detroit School Board. The Governor appoints a member. The Board selects its chair and the school superintendent. The legislation sunsets in 2004.

In 2001, the City Administration notified City Council of its intention that the Detroit Housing Commission would begin acting as a public body pursuant to State law, effective September 21, 2001. The Kilpatrick Administration's Recommended Budget for 2003-04 includes Housing as part of the City's overall budget, until pertinent litigation is resolved.

FINANCIAL PROCEDURES

The City's accounting system is organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The accounting and financial reporting policies of the City conform to generally accepted accounting principals (GAAP) and reporting standards as promulgated by the Governmental Accounting Standards Boards (GASB). Each department and agency receives financial information along appropriation, organization, program and project lines, but in an integrated environment. This information is used to allocate financial resources and to control actual expenditures in relation to the amended budget. In addition, historical information from these

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reports can be used for analysis and preparation of the annual financial report.

The City utilizes the Detroit Resource Management System (DRMS) to record and process financial information. For example, DRMS is now being used to conduct business for all of the City's "core" financials (purchasing, accounts payable, accounts receivable and general ledger), as well as to track applicants for employment and for budget processes.

Basis of Accounting

The City's financial statements are prepared in conformity with generally accepted accounting principles. "Basis of accounting" refers to the point at which revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. Except for the City's Enterprise Funds and Pension Funds (which are accounted for on the accrual basis), the City's funds and accounts are maintained and reported on the modified accrual basis of accounting. Under the modified accrual method, revenues are recognized when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred, except for expenditures for debt service on long-term debt.

Municipal income taxes are accrued for income tax withholdings estimated by the City, as collected by employers but not yet remitted to the City. Estimated refunds for income tax returns received and in process,

on which payment has not yet been made, are recorded as a reduction of revenues. Although the City recognizes revenues from sources when susceptible to accrual, the City also establishes reserves from time to time against certain of the revenues so recognized, to reflect its judgment of collectibility.

Licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash, including the 60 day period after year end, because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

The City records expenses when goods and services are received, and encumbers the amounts required by purchase orders and contracts at the time the purchase orders and contracts are issued. The encumbrances are liquidated when the goods and services are received.

Basis of Budgeting

The Budget is prepared on the same principles as the accounting system. The General Fund is budgeted on a modified accrual basis and enterprise funds on the accrual basis. The Charter requires that the Budget is based on Programs, and budget appropriations for the most part reflect programs except that overhead costs of activities are not apportioned in allocations.

Fund Balance

The fund balances of the General, Special Revenue and Capital Projects Funds have been classified to reflect certain limitations and restrictions. Reserves for Inventories are equal to the amount of the inventories and

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signify that such assets are not presently available for appropriation and expenditure. While the City is not required to carry unliquidated encumbrances past the end of the fiscal year, it sets aside, within each respective fund balance, an amount equal to the unliquidated encumbrances that the City wishes to carry forward. In the succeeding year, the budget is increased by an amount sufficient to cover the unliquidated encumbrances and these encumbrances are reinstated. Unliquidated appropriations represent amounts appropriated for liquidation of encumbrances and for other commitments not liquidated by year-end and carried forward to the succeeding year's budget. Any remaining balance constitutes an unappropriated surplus. In accordance with a City ordinance, one-half of any unappropriated surplus is transferred to a Budget Stabilization Fund with the balance being available for other appropriations in the following fiscal year. Any unappropriated deficit is funded in the succeeding fiscal year.

The Budget reflects half of this General Fund balance as a prior year surplus (revenue in the Non-Departmental budget) or deficit (appropriation in the Non-Departmental budget). All other Funds do not include a Prior Year Fund Balance.

Budget Stabilization Fund - In 1978, the State Legislature authorized municipalities to establish budget stabilization funds for the purpose of providing a method to stabilize financial operations, especially during cyclical economic periods. In 1979, the City, by ordinance, established the Budget Stabilization Fund of the City to cover General Fund deficits, to restore reduction in the number of employees and to cover

expenses arising because of a natural disaster. One-half of the General Fund surplus is to be appropriated to this fund in the fiscal year following the year that a General Fund surplus is experienced, up to the lesser of either 15% of the City's most recent General Fund budget or 15% of the average of the City's five most recent General Fund Budgets. As of June 30, 2002, the Budget Stabilization Fund reported a balance of a \$7,690,256. A deposit of \$777,797 will be made this fiscal year because a surplus of \$1,555,594 was recorded for the June 30, 2002 year.

This fund is not reflected in the Budget. The 2002-03 budget does not anticipate a surplus.

GASB 34 Activities

Government Accounting Standards Board Statement #34 establishes new requirements for the annual financial reports of state and local governments. The City has taken steps to improve the descriptiveness and usefulness of its base financial information, and has prepared the June 30, 2002 CAFR using the new financial reporting requirements as prescribed by GASB statement 34.

BUDGET PROCESS AND CONTENT

The general content and the process of developing the City's annual budget are prescribed by the City Charter. The City's annual budget constitutes a financial plan for the next fiscal year, which is required to set forth estimated revenues from all sources and all appropriations. Proposed capital appropriations are included. The City estimates a prior year surplus or deficit for the General Fund, which reflects the ending financial position for the prior year (the "fund balance"). Any deficit during the

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preceding year is entered into the budget for the next fiscal year as an appropriation in accordance with the City Charter. One-half of any surplus is credited to the Budget Stabilization Fund with the remainder being included as a revenue in the following year. The total of proposed expenditures cannot exceed the total of estimated revenues so that the budget as submitted is a "balanced" budget.

Budget Calendar

The City Charter, since its 1997 revision, requires before November 1 of each year and prior to submitting a proposed annual budget (by December 8), that the departments of Police, Fire, Public Works, Water and Sewerage, Recreation, Health and Public Lighting conduct a public meeting to review programs, services and activities to be included in the budget and to receive public comment. Departments are required to publish a general summary of programs, services and activities funded in the current fiscal year, in one or more daily newspapers of general circulation in the city. The summary includes funds spent or encumbered in the current fiscal year. The charter requires that notice is published not less than ten days before the day on which the meeting is held, and shall state the date, time and place of the meeting. The annual public budget meeting requirement is coordinated by the Budget Department (for all departments except Water and Sewerage, who hold their own public meetings). A meeting takes place in the Fall of each year, on the east and on the west sides of the city, including a citizen survey also posted on the city website. The findings are compiled into the report of the Citizen Budget Program which is distributed to city officials and participating citizens.

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The initial budget, which includes all department estimates of revenues and expenditures required for the fiscal year beginning July 1, is submitted to the Mayor by the Budget Department on or before the preceding February 22. The Mayor may revise the budget prior to submitting it to the City Council on or before April 12, the date established by City ordinance.

Prior to approval of the budget, the City Council holds hearings with various department and agency heads and also holds a public hearing. In addition, the Auditor General prepares an analysis of the proposed budget for the City Council. The City Council may amend the budget as presented by the Mayor, on or before May 17. Any Mayoral veto of City Council amendments to the budget may be overridden by the City Council by a two-thirds vote of the members serving, within 3 business days following a Mayoral veto. Under the City Code, the City Council's reconsideration of the budget must be completed within the longer 3 calendar days or 2 business days following the maximum return date of the budget by the Mayor and any Mayoral veto.

Budget Adoption

The adoption of the budget provides for: 1) appropriations of specified amounts from funds indicated, 2) a specified levy of the property tax, and 3) provision for the issuance of bonds specified in the capital program. The budget document as adopted becomes the basis for establishing revenues and expenditures for the fiscal year following the fiscal year of passage.

Appropriations - The Charter requires that appropriations be made in lump sums to the agencies for specific programs, services or activities or to additional classifications as the Mayor may recommend. Within an appropriation, the Mayor is given the responsibility of allocating financial resources to labor, equipment, supplies and materials in a manner which appears most suitable and economical in a given situation. However, the accounts of each agency are maintained in such detail as required by generally accepted standards of financial reporting.

Budget Revisions

The appropriation for every function of each City department is a fixed expenditure and may not exceed the original appropriated level without City Council approval. If during the fiscal year the Mayor advises the City Council that there are available for appropriation revenues in excess of those estimated in the budget, the City Council may make supplemental appropriations for the year up to the amount of the excess. In the case of revenue shortfalls, the Mayor may request that the City Council decrease certain appropriations. The Mayor is under no obligation to spend an entire appropriation. Also, at any time during the fiscal year, the City Council, upon written request by the Mayor, may transfer all or part of any unencumbered appropriation balance among programs, services or activities within an agency or from one agency to another.

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BUDGET CALENDAR FOR FISCAL YEAR 2003-2004

The <i>VARIOUS OFFICERS, DEPARTMENTS, COMMISSIONS</i> AND BOARDS shall complete their estimates of requirements for each activity during the ensuing fiscal year.	On or before Monday, December 9, 2002
The <i>BUDGET DIRECTOR</i> shall make up and transmit to the Mayor a tabulation of such estimates.	On or before Monday, February 24, 2003
The <i>MAYOR</i> shall consider the budget and may revise or alter same, to be completed and returned by him to the Budget Director for tabulation.	On or before Monday, March 31, 2003
The <i>BUDGET DIRECTOR</i> shall retabulate the revision and the <i>MAYOR</i> shall transmit the revised budget to the City Council.	On or before Monday, April 14, 2003
The <i>CITY COUNCIL</i> shall consider the budget transmitted by the Mayor and may revise, alter, increase or decrease, to be completed.	On or before *Monday, May 19, 2003
The <i>CITY CLERK</i> shall retabulate the budget as revised by the Council and transmit it to the Mayor for his approval or rejection.	On or before Tuesday, May 27, 2003
The <i>MAYOR</i> shall return the budget to the City Council with his approval, or if he shall disapprove the whole or any items therein, with a statement of his reasons therefore.	On or before Friday, May 30, 2003
The <i>CITY COUNCIL</i> shall act upon any item or items that shall have been disapproved by the Mayor.	On or before *Tuesday, June 3, 2003
After the <i>MAYOR</i> shall have approved the budget, or the <i>CITY COUNCIL</i> shall have acted upon any part or item thereof which shall have been disapproved, the <i>FINANCE DIRECTOR</i> shall make an itemized statement of the amount to be raised by taxation, and a similar statement for the issue of bonds.	On or before *Tuesday, June 10, 2003
Begin City operations under the new control of the 2003-04 Budget	Tuesday, July 1, 2003

*Calendar dates that require scheduling of a formal session of CITY COUNCIL.

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Fiscal Year 2003-04 Budget Goals and Budget Guidelines

The 2003-04 Recommended Budget is based on realistic revenue and expenditure assumptions. When the Budget process began, a major budget gap had to be addressed due to additional costs and revenue shortfalls. Examples include:

- Decline in income tax collections associated with the slow economic recovery
- Effects of continued reduction in personal income tax rates by 1/10th of 1 percent.
- Continuing contract negotiations with unions
- Decreasing State Revenue Sharing funds
- Increased pension costs and hospitalization costs.

To deal with this urgent situation, certain standardized constraints were imposed on departments. These included:

- Departmental requests for 2003-04 shall not exceed the 2002-03 "Net Tax Total" for your department. Essentially, making adjustments for inflation by increasing efficiencies. Departments, which typically receive subsidies from the General Fund, should reflect a zero subsidy increase.
- Do not make requests in your primary 2003-04 Budget, which result in increases in the number of positions over the number approved for 2002-03.
- Make only limited requests for travel.

Departments were given a number of standardized assumptions for use in preparing their requests, such as:

- Utility costs same as in 2002-03 budget, except for water (109.8%) and sewerage

(112.3%)

- Supply costs to reflect a general 2% inflation rate, unless other specific information was available
- High priority on new and increased revenues, particularly fees and user charges. Special emphasis was given to reviewing fee schedules to insure that fees and charges for service reflect the value of the service and the City cost of providing the service
- Salary and Wages based on current negotiated rates
- Fringe and pension costs per a schedule
- Travel and Training requests to include detailed information
- Automotive Equipment per a prescribed replacement schedule, requested in a five-year horizon through the newly-formed Vehicle Management Steering Committee
- Coleman A. Young Municipal Center rental rate
- Technology costs per a schedule

The budget was prepared using the BRASS software. The Budget Department held a series of training workshops in September and October 2002 for each department to electronically submit their budget requests. The Budget Department also held the annual Budget Request Training Session for departments on October 15, 2002 to explain budget development process and to provide special technical assistance to Departments.

Findings of the 2002 Public Budget Meetings and Citizen Survey

A wide range of Detroiters gave input under the 2002 Citizen Budget program. With 500 citizen surveys and 300 student surveys completed, we heard from people of all ages

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and incomes, from all areas of Detroit. The meetings and survey gave citizens a set of structured questions, and an opportunity to comment about any subject.

Some City functions are clearly more important to citizens than others. The Mayor's initial "Kids, Cops, Clean" priorities fall squarely within everyone's biggest concerns. Citizens want the City to revisit its current list of responsibilities, and focus resources better around public safety, health and educational activities.

The six major departments highlighted in this process receive half of all tax money. When citizens looked at all of these departments' responsibilities, clear priorities emerged among them, and only a few programs are seen as expendable.

The highest incomes were more dissatisfied with Recreation services, and placed more emphasis on clean-related policies. Except for Recreation, few factors other than age affected citizen opinion. Youth diverge from adults on services closest to what they see on the streets they walk.

Citizens would focus more of the city's limited resources on these six major departments – but not necessarily equally on each. Citizens want to believe that maximum efficiencies are realized. For example, despite highest support for the public safety function, citizens were willing to cut the Police budget. Despite "clean city" support, citizens cut the Public Works budget. The sentiment that maybe we should do less and might reduce the number of departments was especially high among seniors.

Citizens said that the City has to change the way it does business, to reorganize and take different approaches to service delivery. There are a number of major city services that people do not understand, and need better communication of. Likewise, citizens want the opportunity for input.

Most important purposes or categories of Services. Citizens ranked the importance of each of 9 overall service categories, from 1 – 9 ("weighted" for split votes). Adults under 62, seniors, and youth agreed on the top 3 priorities, but had some other differences also detailed below.

1. *Public Safety (Police, Fire, EMS).* Roughly two out of five people said it was the City's first responsibility, and three out of four said it was in the City's three top priorities.
2. *Educational Development (libraries, Cable Channel 10, public relations; not public schools).* One in five youth gave it highest priority. Average rankings were second highest for adults under 62, and third highest for youth and seniors.
3. *Public Health (centers and programs).* Two out of five adults and three out of five youth said this was one of the three top priorities. Average rankings were third highest for adults under 62, and second highest for youth and seniors.
4. *Mass Transportation (bus services, street maintenance, City Airport, parking structures).* People either strongly supported City responsibility for it, although with few first place votes, or did not. One in eight adults and one in five youth ranked it last, perhaps considering it some other government's responsibility.

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5. *Physical Environment (solid waste, street lights, landscaping, water/sewerage)*. For adults and youth alike, more first place and fewer last place votes than Economic Capacity, though a slightly higher ranking.
6. *Economic Capacity (convention center, development assistance, job training)*. For adults, the ranking is better than for Physical Environment or Transportation.
7. *Recreation and Culture (parks, recreation, cultural institutions)*. Citizen comments reflect the priority placed on parks, but this category as a whole received the second and third highest totals of last place votes from adults and youth.
8. *Building Supply/Conditions (building code enforcement, redevelopment, public housing)*. Among adults, second in last place votes, last in first place votes and the worst average ranking given. Youth had the sixth best average ranking.
9. *Management (financial, legal, human resources, City Council, Mayor, other line items)*. Nearly one in ten thought this was the most important category, but most adults and youth ranked it low or last.

Mayor Kilpatrick's Policy Priorities
Citizens ranked which of Mayor Kilpatrick's "Kids, Cops and Clean" policy priorities is most important to them, using '1' '2' or '3'. Participants as a whole told us that all three of these priorities are of equal importance.

Among adults as a whole, "improved police" was slightly more likely to have the highest support. Programs for kids were most often the lowest priority. Seniors' opinions were squarely within these priorities. Among youth, it was the opposite. Youth placed the

highest priority on programs for kids and lowest priority on improved police service.

Average Rankings Given Each Priority '1' is highest, '3' is lowest			
	Adults	Youth	Overall
"Kids" programs	2.1	1.9	2.0
Improved Police	1.9	2.1	2.0
"Clean" City	2.0	2.0	2.0

Note: Rankings were weighted according to any ties given (ex: two #1's are each ranked as 1.5)

Single person households were most likely to support improved policing. They were least likely to support kids programs.

Those reporting annual income above \$75,000 were more likely to value cleaning the city, and to place the lowest priority on kids programs. Similarly, new Detroit residents (less than 5 years) were most likely to support the clean city priority.

More than half of all students made comments on their surveys, and nearly all of these comments raised issues related to cleaning up their neighborhoods, securing their walk routes, or providing more activities for them or fixing up recreational places.

What major department services are most important to citizens? Youth tended to give higher satisfaction ratings than adults. This could reflect either their lack of expectations, or a more direct experience of some services than adults have. Adult ratings did not vary much according to age or income.

Most service ratings tended toward the middle (3.0), which reflects wide differences of opinions held about it. A rating farther

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from the 3.0 reflects clearer public opinion.

Many citizens commented that the City needs to get more out of what it spends. Suggestions include: decreasing higher level worker salaries; performance systems to increase worker accountability; customer training to increase responsiveness to the community; better risk management to reduce lawsuit payouts.

Citizen comments also emphasized focusing limited resources on the visible field services that are fundamental to quality of life in the city. Improving the efficiency of our processes and increasing our partnerships with the community are two examples. One

equally satisfied with all services, while adults were most satisfied with firefighting. Those reporting the highest income category (\$75,000+) were less satisfied with fire prevention services than were those reporting less than \$50,000 annual income. Otherwise, income was not a factor in citizen satisfaction with Fire services.

Many people do not know about arson investigation or the emergency preparedness function of responding to environmental disasters. Only two people expressed concern about the city's capacity for emergency environmental response. Few people gave \$0 to any of these services. Few citizens

<u>Citizen Satisfaction and Budgets for Fire Department services:</u>					
Ranking (1 – 5)			“Your Budget”		
Adults	Youth		Adults	Youth	
2.6	2.5	Firefighters and equipment	\$2.76	\$1.94	
3.0	2.6	EMS emergency medical service	\$2.56	\$2.41	
2.9	2.3	Fire prevention	\$1.66	\$1.82	
3.0	2.6	Response to envir. disasters	\$1.54	\$1.67	
3.1	2.7	Arson Investigation	\$1.50	\$1.69	
			\$10	\$10	
('1' very satisfied, to '5' unacceptable)			Avg budgets may not add exactly to \$10		

in ten comments were about these management methods, and one in four of the people who gave comments touched on these.

The Fire Department Adults and youth alike were relatively satisfied with the mix of services offered by the Fire Department. Likewise, with the performance of these services. Youth were

commented about Fire Department services.

Youth and seniors place the highest priority on emergency medical services. They gave the highest budget allocation to it, and the fewest number gave them \$0. Seniors were more likely to support fire prevention than other groups. Adults under 62 placed a higher priority on fire suppression in their budgets.

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The Police Department

The most important responsibility of Police, by all accounts, is its visible presence in our communities. Citizens want to see them, to communicate what they see to them, and to have them respond to their requests. In neighborhoods, citizens were not satisfied with the precinct response time, crime prevention, or narcotics enforcement services (all rated at 3.7 or above). Income and age did not affect this dissatisfaction.

Seniors were less strongly supportive of precinct response time in their budgets than

In this mix of services, one in seven would give up victim assistance programs and traffic enforcement. Seniors were the most supportive of traffic enforcement.

Youth are very concerned about increasing the Police presence. One in six who made comments mentioned it – more than twice as many as cited the precinct response time. Along with dumpsite and playground maintenance services, precinct response services received the worst satisfaction ratings from youth. Drug enforcement was the next most commonly cited of public

Citizen Satisfaction and Budgets for Police Department services:

Ranking (1 – 5)			“Your Budget”	
Adults	Youth		Adults	Youth
3.8	3.2	Precinct response to calls	\$2.47	\$2.00
3.8	3.2	Crime prevention	\$1.85	\$1.99
3.7	2.9	Narcotics enforcement	\$1.87	\$1.83
3.3	3.1	Partnerships with the community	\$1.43	\$1.35
3.7	3.0	Victim assistance	\$1.27	\$1.53
3.4	2.8	Traffic enforcement	<u>\$1.17</u>	<u>\$1.35</u>
			\$10	\$10

(‘1’ very satisfied, to
‘5’ unacceptable)

Ava budgets may not add exactly to \$10

were adults under 62. Instead, seniors were more supportive of partnerships with the community.

As with City codes in general, citizens want stricter enforcement of laws and stronger communication with youth congregating in the streets and parks. Police Officer conduct was an important issue to a number of people.

safety concerns, particularly in relation to shutting down “crack houses”.

The Public Lighting Department

Street lighting is far and away the most important to citizens of PLD’s programs. Adults told us in their satisfaction ratings and survey comments that they were not satisfied with the reliability of street lighting in their neighborhoods. Youth were less critical in their assessments.

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Many said that they do not understand PLD's power production and steam and electricity distribution operations. Some people commented that these were businesses the City should probably get out of. One in six did not fund steam and electricity in their budgets, and one in seven did not fund electric power production.

Nearly one in five youth commented about street lighting, and how important it is to their sense of safety. Likewise, seniors' budgets for street lighting were the highest of any groups. Seniors were the least supportive of steam or electricity generation of any groups.

at incorrect times to be punished. A few people suggested more frequent pickup times.

The majority told us that current dumpsite and vacant lot cleanup services were unacceptable. This item received the poorest satisfaction rating of any item from youth (3.26) as well as adults (4.04). Many people commented that alternative approaches to this problem were in order. Likewise, they asked for more aggressive demolition in the neighborhoods. Youth were especially concerned about the blight and the danger of all of these vacant buildings.

There were a lot of comments about

<u>Citizen Satisfaction and Budgets for Public Lighting Department services:</u>					
Ranking (1 – 5)			"Your Budget"		
Adults	Youth		Adults	Youth	
3.7	3.0	Street lighting	\$5.55	\$3.95	
3.0	2.7	Electric power production	\$2.52	\$2.88	
3.0	2.7	Steam or electricity for some buildings	<u>\$1.96</u>	<u>\$2.65</u>	
('1' very satisfied, to '5' unacceptable)			\$10	\$10	
Avg budgets may not add exactly to \$10					

The Department of Public Works Garbage pickup has to be considered a success story for the City. Some citizens commented about spillage during the pickup, but appreciated the timeliness and reliability of the service. This was true in all zip codes areas of the city and across all income categories, and in the youth satisfaction ratings. Few city services rated as highly.

Bulk pickup is another matter. Citizens told us they wanted those who set out bulk items

enforcement of property maintenance standards, which is a responsibility of the Buildings and Safety Engineering Department. Now that the City owns so many of these lots, citizens asked that the City do a better job of caring for these lots and transferring them to productive use, such as through community purchase of property. This is a responsibility of the Real Estate Section of the Planning and Development Department.

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Another area of concern is the condition of roads. One in ten people said they do not know about the street design service. While many people may not know which roads are the city's responsibility to maintain, and which are the County's, citizens in every zip code area of Detroit told us that there needs

Youth are also very sensitive to issues that might be called pedestrian-oriented, such as timeliness of snow and ice removal (their highest budget item, with the fewest \$0 allocations), sidewalk repair, weed overgrowth on vacant lots, and the condition of roads. Students throughout the city

<u>Citizen Satisfaction and Budgets for Public Works services:</u>				
Ranking (1 – 5)			“Your Budget”	
Adults	Youth		Adults	Youth
2.4	2.4	Garbage pickup / waste disposal	\$2.17	\$1.77
4.0	3.3	Dumping and vacant lot cleanup	\$2.14	\$1.73
3.8	3.1	Maintenance of City-owned streets	\$1.76	\$1.38
3.4	3.0	Snow and ice removal	\$1.62	\$1.88
3.2	3.1	Street cleaning	\$1.31	\$1.48
3.2	2.8	Streets and traffic systems design	\$1.02	\$1.19
			\$10	\$10
<i>(‘1’ very satisfied, to ‘5’ unacceptable)</i>			<i>Avg budgets may not add exactly to \$10</i>	

to be more maintenance. Further, street signage is an area of concern. Seniors were the most supportive of street maintenance.

Of all youth concerns, the most common related to the physical environment of their neighborhoods: unkempt and abandoned buildings, vacant land, litter in the streets, the lack of facilities. Nearly one in three of the youth who made comments asked that the streets be cleaned up of dumped debris, abandoned cars, or of blowing litter. Nearly one in four of these youth made comments that urged more aggressive demolition. Most of these comments tied demolition (now a Buildings and Safety Engineering Department responsibility) to an overall program of building renovation and redevelopment of vacant land.

mentioned road maintenance. This contrasts with just four comments relating to availability of buses.

The Health Department

Health administers a variety of programs, and those who understood this mix were somewhat satisfied with it. Performance of most services, other than rodent control (transferred to Health this year) and substance abuse treatment, rated adequately. The majority of people were very satisfied with the birth and death certificates operation. Youth told us they were satisfied with pregnant women services, communicable disease prevention, and restaurant inspection services as well.

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<u>Citizen Satisfaction and Budgets for Health Department services:</u>				
Ranking (1 – 5)			“Your Budget”	
Adults	Youth		Adults	Youth
3.1	2.6	Communicable disease prevention, investigation; immunizations	\$1.48	\$1.19
3.4	2.9	Substance abuse prevention, treatment	\$1.49	\$1.21
2.8	2.6	Pregnant women and children services	\$1.40	\$1.23
3.7	3.2	Enforcing rules re: rodents	\$1.25	\$1.06
3.2	2.5	Primary care clinics, dental services	\$1.23	\$.97
3.3	3.1	Animal control	\$1.20	\$1.44
3.1	2.6	Restaurant inspections, related licenses	\$1.15	\$1.01
2.4	2.2	Birth records and Death certificates	\$.84	\$1.18
			\$10	\$10

(‘1’ very satisfied, to
‘5’ unacceptable)

Avg budgets may not add exactly to \$10

Many people told us that they don’t know about Health’s services, other than animal control and rodent control. A number commented that Health should do more public information in the form of Health Fairs. Nearly half of citizens did not know about primary care or pregnant women and children services.

Citizens told us that the most important Health Department responsibility is communicable disease prevention, investigation and immunizations. Substance abuse prevention and treatment received equal attention in the Health budgets created. This is true for adults over and under 62.

Youth were more likely to comment about what might be called human services – the need for homeless services and jobs programs – than about public health programs. Seniors were less supportive of restaurant inspections and licensing, and birth and death records, than were adults under 62 and youth.

The Recreation Department
Youth satisfaction for all recreation services was much greater than adult satisfaction ratings for recreation. Adults earning \$75,000 + annual income were much more likely to be dissatisfied with Belle Isle, Riverfront parks and playground maintenance, with recreation programs, and with athletic services.

After school programs were nearly highest priority of survey respondents as a whole. Some citizens made a point to distinguish between after school programs and other recreation programs offered. Youth placed after school programs above other recreation department programs in their budgets.

Belle Isle and Riverfront parks received the highest budgets from adults, but were a distant second for youth. This was due in large part to high levels of support from seniors. Seniors were least supportive of after-school and other recreation programs. One in four adults who completed surveys,

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half of those at the meetings, and one in five

should get more attention, and at the expense

<u>Citizen Satisfaction and Budgets for Recreation Department services:</u>				
Ranking (1 – 5)			“Your Budget”	
Adults	Youth		Adults	Youth
3.6	3.1	Belle Isle, Riverfront parks	\$1.87	\$1.64
3.5	2.5	After-school programs	\$1.70	\$2.80
3.4	2.6	Recreation programs	\$1.40	\$1.43
4.0	3.3	Playground maintenance, activities	\$1.33	\$1.21
3.8	2.9	Landscape of parks and trees	\$1.33	\$1.04
3.9	2.8	Recreation center/equipment mtc	\$1.33	\$1.21
3.2	2.3	Athletic leagues/competitions	<u>\$.89</u>	<u>\$1.15</u>
			\$10	\$10
<i>(‘1’ very satisfied, to ‘5’ unacceptable)</i>			<i>Avg budgets may not add exactly to \$10</i>	

youth told us not to fund athletic leagues. More than one-third did not know the service.

Landscaping of parks and trees was the subject of many concerns. This contrasted with youth, who gave it the lowest budget allocation. Nearly one in three youth gave it no funding. The need for better park and neighborhood tree maintenance was one of the most frequent comments of adults, and received one of the lowest satisfaction ratings. Playground and recreation center maintenance received similarly poor ratings.

One in four youth wanted either recreation programs geared toward them, or serviceable playground or recreation center facilities in their neighborhoods. They were more likely to ask for facilities than programs.

How would citizens spend limited tax money? We asked how the current budget for each major department, for the 7 staff agencies, and for 26 other tax-supported agencies, might be changed. Which programs

of which other programs funded by City tax money? Only three out of five citizens gave feedback on this.

Two out of three increased the share of current budget spent on the six major departments. Consistent with citizen comments about reducing the scope of city government, this was typically at the expense of the amount spent on the city’s many other tax-supported agencies. Adult’s budgets tended to keep whole the share devoted to internal staff departments.

Seniors (62 and over) had the biggest emphasis on the basics in their budgets. They gave the largest budgets to the 6 major departments and were the most likely to cut the budgets for internal staff departments. Their increases went primarily to Recreation, and to Public Lighting and Health. Seniors were like adults under 62 in cutting the Police Department total budget. Fire Department and Recreation Department budgets were most likely to be increased.

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Those reporting over \$75,000 annual income were more likely to increase Recreation budget. Unlike those below \$50,000 annual income, they did not typically cut the Police budget. Those in the lower income groups cut Police, and increased Fire, Public Lighting and Recreation allotments.

Two out of three adults as a whole increased the Recreation and Public Lighting

Department Budgets, and well over half increased the Health Department budget. Half decreased the Public Works and the Police Department budgets.

Less than half of all youth increased the share spent on major departments – slightly less than increased the share spent on internal staff support. Nearly half of the youth budgets cut the other tax-supported share.

“YOUR BUDGET” FOR MAJOR DEPARTMENT SERVICES:

How citizens divide \$100 among major line items

	Current	Adults	Youth	
Fire Department	\$10.49	\$11.79	\$12.36	
Police Department	24.53	23.56	18.50	<i>decrease</i>
Public Lighting Department	4.77	6.24	7.63	
Public Works Department	14.07	13.25	11.93	<i>decrease</i>
Recreation Department	4.09	7.39	8.31	
Health Department	6.66	7.39	9.56	
Major Departments	\$64.61	\$69.62	\$66.06	
Internal Staff Departments	\$9.94	\$9.42	\$12.45	
Other Tax-Supported Agencies	\$25.45	\$21.32	\$22.93	<i>decrease</i>
Totals	\$100.00	\$100.00	\$100.00	

Note: Some calculations don't add exactly to \$100, due to math errors or rounding

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SATISFACTION RATINGS For Major Services: ‘1’ (Very Satis) - ‘5’ (Unacc.); ‘8’ (Don’t Know)

“Adults” = web, mailed and meeting surveys [= 501; up to 10% missing on given items]

“Youth” = completed surveys: 6 high schools [= 303; up to 12% missing on given items]

DEPT	Service Description	2002 Avg Ratings Adults / Youth / Overall			2002 % Don’t Know” Adults / Youth / Overall		
DPW	Garbage Pick-up	2.38	2.41	2.39	0.50	2.97	1.56
	Dump Site / Vacant-lot Cleanup	4.04	3.26	3.72	4.58	10.23	6.95
	Snow and Ice Removal	3.42	3.02	3.25	2.54	2.97	2.68
	Street Cleaning	3.21	3.08	3.16	0.76	3.63	1.98
	Streets and Traffic Design	3.15	2.80	2.99	10.43	9.24	9.90
	Street Maintenance	3.77	3.08	3.49	3.30	12.21	7.04
POLICE	Precinct Response to Calls	3.75	3.22	3.52	8.39	9.24	8.75
	Partnerships with Community	3.27	3.06	3.18	11.45	15.51	13.17
	Crime Prevention	3.75	3.20	3.15	11.70	10.23	11.07
	Victim Assistance	3.69	2.99	3.35	31.04	15.84	23.67
	Traffic Enforcement	3.37	2.78	3.11	7.12	8.25	7.60
	Narcotics Enforcement	3.70	2.91	3.37	17.55	14.19	16.05
PLD	Street Lighting	3.65	3.01	3.37	1.52	2.97	2.14
	Steam or Electricity Distribution	2.99	2.74	2.85	45.54	16.50	29.80
	Electricity Production	3.00	2.67	2.83	34.86	14.19	24.44
FIRE	Fire Suppression	2.64	2.48	2.56	23.15	15.51	19.64
	Fire Prevention	2.86	2.29	2.57	28.49	12.87	20.92
	Arson Investigation	3.08	2.70	2.88	39.69	22.11	30.91
	Emergency Medical Service	2.98	2.63	2.81	18.82	4.29	11.90
	Environmental Disaster Response	3.00	2.63	2.80	43.25	21.12	30.80
REC	Center, Equipment Maintenance	3.87	2.80	3.40	18.06	13.53	16.02
	Landscaping of Parks & Trees	3.82	2.93	3.45	6.10	11.55	8.39
	Belle Isle/Riverfront Parks	3.63	3.11	3.40	6.10	7.59	6.74
	Recreation Programs	3.44	2.63	3.06	19.33	10.23	15.12
	Athletic Leagues/Competition	3.20	2.28	2.72	31.29	7.26	19.03
	Playground Maintenance	3.97	3.25	3.65	8.14	6.27	7.31
	After School Programs	3.51	2.53	3.03	26.71	10.89	19.15
HEALTH	Animal Control	3.27	3.06	3.17	24.17	14.19	19.51
	Birth and Death Records	2.40	2.23	2.32	36.38	29.70	33.30
	Communicable Disease/Immun	3.14	2.60	2.89	33.58	24.09	29.13
	Restaurant Inspection/Licenses	3.08	2.55	2.82	36.38	21.78	29.27
	Pregnant Women & Children	2.82	2.61	2.70	46.05	20.46	32.43
	Enforcing Rules re: rodents	3.69	3.16	3.45	29.00	26.40	27.84
	Primary Medical & Dental Care	3.21	2.46	2.78	44.78	14.52	28.31
	Substance Abuse Services	3.41	2.89	3.06	40.71	18.81	29.46

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CITIZEN COMMENTS ABOUT SERVICES IN THEIR NEIGHBORHOODS: FREQUENCY OF ITEMS OF CONCERN OF ADULTS AND YOUTH

<i>Frequently Mentioned Service Items of the Major Departments, by Type</i>	<i>Adult Totals (% of all)</i>	<i>Youth Totals (% of all)</i>
<i>Responsiveness Issues:</i>		
(POLICE) Police deployment/community policing	27 (5.3%)	26 (6.5%)
(POLICE) Police response time	22 (4.3%)	10 (2.5%)
(ALL) City employee performance and management	15 (3%)	1 (.3%)
(ALL) more partnerships with the community	13 (2.6%)	13 (3.2%)
(ALL) Handling of community calls and service complaints	10 (2%)	--
(ALL) Focus on fundamental field-based services	9 (1.8%)	--
(POLICE) Police officer propriety	5 (1%)	3 (.8%)
<i>Maintenance Tasks:</i>		
(PLD) street lighting in neighborhoods, including alleys	35 (6.9%)	28 (7%)
(DPW) street maintenance	19 (3.7%)	29 (7.2%)
(BSE) pace of demolition of abandoned buildings	12 (2.4%)	38 (9.5%)
(REC) recreation facilities maintenance and park mowing	12 (2.4%)	34 (8.5%)
(REC) tree trimming or removal	12 (2.4%)	1 (.3%)
(DPW) sidewalk repair	6 (1.2%)	3 (.8%)
<i>Enforcement Tasks:</i>		
(POLICE) tight enforcement of all other laws	12 (2.4%)	5 (1.3%)
(POLICE) traffic enforcement	11 (2.2%)	3 (.8%)
(POLICE) drug enforcement	10 (2%)	20 (5%)
(BSE) property maintenance code enforcement	10 (2%)	5 (1.3%)
(HEALTH) animal control	6 (1.2%)	5 (1.3%)
<i>Cleanup Tasks:</i>		
(DPW) solid waste code enforcement	30 (5.9%)	5 (1.3%)
(DPW) vacant lot and other cleanup	25 (4.9%)	36 (9%)
(POLICE) abandoned cars	15 (3%)	5 (1.3%)
(DPW) more frequent/more thorough bulk pickup	11 (2.2%)	3 (.8%)
(DPW) cleaning streets	10 (2%)	19 (4.7%)
<i>Other Service Provision:</i>		
(REC) additional recreation programs, including after school	9 (1.8%)	16 (4%)
(PDD) preserve / renovate abandoned buildings	9 (1.8%)	8 (2%)
(ZOO) open Belle Isle Zoo	6 (1.2%)	--
(PDD) redevelop vacant lots	--	21 (5.2%)
(PDD) small business / job development	--	10 (2.5%)
Total Major Department Comments	361 (70.7%)	347 (86.3%)
Total of All Service Items on Survey	511 (100%)	402 (100%)

MISCELLANEOUS OTHER SERVICE COMMENTS (Adults, 26 items; Youth, 25 items)

TOTAL ADULT COMMENTS: 213 of 393 surveys had comments, with 52 items and 511 mentions (totals exclude public comment periods at the end of each public meeting)

TOTAL YOUTH COMMENTS: 164 of 303 surveys had comments, with 42 items and 402 mentions

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Recommended 2003-2004 Budget Items

The following are major items and programs included in the 2003-2004 Mayor's Recommended Budget.

Infrastructure and Overhead

- ❖ PLD BONDS – \$7.8 million in bonds primarily to modernize light poles, residential street lighting and substations.
- ❖ VEHICLE MANAGEMENT SYSTEM – \$30 million for vehicle fleet purchases in the internal service fund in the nondepartmental budget, for vehicles for General Fund agencies including Fire, Police, DPW, Recreation and PLD.
- ❖ DETROIT ZOO BONDS – \$2.2 million in bonds for exhibits and infrastructure.
- ❖ DETROIT INSTITUTE OF ARTS BONDS – \$6.9 million in bonds and investments earnings, for improvements.
- ❖ RECREATION BONDS – \$8.4 million in bonds for the Belle Isle Nature Zoo, Comfort Station, and various improvements in landscaping and recreational facilities.
- ❖ WRIGHT MUSEUM OF AFRICAN-AMERICAN HISTORY BONDS – \$4 million in bonds for the core exhibit.
- ❖ PLANNING AND DEVELOPMENT BONDS – \$7 million for Brush Park Project Redevelopment Area.
- ❖ DTC PEOPLE MOVER – \$9.1 million in General Obligation bonds for People Mover System improvements.
- ❖ HEALTH DEPARTMENT BONDS - \$1 million for improvements at the Herman Kiefer Complex.
- ❖ AIRPORT BONDS - \$500,000 for land acquisition under Phase III of the Mini-take.

- ❖ EMPLOYEE TRAVEL REDUCTIONS – 50% reduction in travel budgeted for General Fund employees.

Mayoral Program Priorities

- ❖ FIRE DEPARTMENT “ECHO UNIT” – 16 positions for Emergency Medical Services “Echo Unit”, to increase response time and reduce burden on critical care units.
- ❖ 800 MEGA-HERTZ RADIO SYSTEM FOR PUBLIC SAFETY – 60% of \$50 million project cost in Detroit Water and Sewerage Department, and 40% shared by Police Department, Planning and Development Department, Fire Department and Department of Public Works. This change will provide adequate interagency emergency capabilities in accordance with FCC policy
- ❖ DEMOLITION – \$12 million in Block Grants for major building demolition.
- ❖ REDEPLOYMENT OF BUILDING AND SAFETY ENGINEERING INSPECTORS – Nineteen inspectors will enforce the proposed Property Maintenance Code.
- ❖ NEW ADMINISTRATIVE HEARINGS PROCEDURES (6 positions, \$1.8 million ticket processing system for Department of Administrative Hearings; \$1 million revenue in BSE Property Maintenance Division; \$2.9 million revenue in DEA Environmental Enforcement Division) – the DAH will conduct administrative hearings of municipal civil infractions violations written by BSE and DEA, once state and local enabling amendments are passed.

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Necessary Measures

- ❖ **SIX NEW POSITIONS IN LAW DEPARTMENT COLLECTIONS UNIT** – to provide aggressive collections of Solid Waste, Zoning, and Property Maintenance code violations through creation of a garnishment unit.
- ❖ **OUTSIDE COLLECTION AGENCY** – The City is contracting with collection agency to progressively pursue over \$100 million in past due accounts. The recommendation includes \$24 million in delinquent income tax and property tax revenue.
- ❖ **DEPARTMENT OF CULTURAL AFFAIRS AND TOURISM** – Consolidating Civic Center Department, Cultural Affairs Department and Recreation Department special programs staff and responsibility for Hart Plaza, Chene Park and Eastern Market into a single advocate for downtown Detroit as destination.
- ❖ **TRANSFER OF NONPARK, FORESTRY (14 POSITIONS) FROM RECREATION** – Responsibility for tree maintenance and grass cutting on greenbelts, boulevards and neighborhood berms moves to DPW, who already maintain vacant lots.
- ❖ **GRANTS ACQUISITION OFFICE (6 POSITIONS)** – Centralized group will develop the relationships and expertise to identify, pursue and secure grants, ultimately saving General Fund money and introducing service innovation.
- ❖ **PROGRAM MANAGEMENT OFFICE (7 POSITIONS)** – Centralized project oversight and management services to promote fiscal accountability, timely project completion and reengineering.
- ❖ **DEBT RESTRUCTURING** – \$85 million in General Fund savings.
- ❖ **PAY RAISE FOR ALL EMPLOYEES (\$30 million)** – supporting a favorable outcome to negotiations and arbitration.
- ❖ **CONSOLIDATION OF RECREATION PROGRAMS** into Community Centers, resulting in the closure of 6 recreation centers.
- ❖ **POSITION CHANGES** – The recommended Budget includes fewer positions than current allocation, including 193 layoffs. This is a reduction of 6% over the last 2 years.
- ❖ **TRANSFER OF CONSUMER AFFAIRS FUNCTIONS AND ELIMINATION OF EXECUTIVE POSITIONS** – transfer of functions to other agencies to increase coordination and to save overhead: consumer advocacy to Senior Citizens Department; Business License Center to Building and Safety Engineering Department; Weights and Measures regulation to the Police Department Traffic Engineering Section.
- ❖ **REDUCED SUBSIDY TO BSE ENTERPRISE FUND** – Reduced city subsidy (\$800,000) is planned for the fund, established in 2002-03 under Michigan PA 249 of 1999.
- ❖ **FEDERAL AND STATE GRANTS** – increase of \$1.98 million in Human Services Head Start programs
- ❖ **INCOME TAX REVENUE REDUCTION** – \$23.1 million less in income tax collections, based on the economy and the rate roll-back schedule.

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- ❖ DOSSIN MUSEUM – Dossin Museum on Belle Isle will open only for special events this summer, saving \$234,000.
- ❖ DOT SUBSIDY – reduced to \$70.5 million due to debt restructuring.
- ❖ INCREASED CONTRIBUTION TO POLICE/FIRE PENSION FUND (\$75 million) – due to poor market conditions.
- ❖ INCREASED CONTRIBUTION TO GENERAL RETIREMENT SYSTEM (\$20 million) – due to 26% increase in actuarial in computed normal cost.

LONG-TERM OPERATIONAL AND FINANCIAL POLICY OF THE CITY

In the Spring of 1995 the City began a shift to results-oriented program management and evaluation. A citywide vision, mission and cornerstone goals were stated, to frame the operational goals and objectives set by each City agency. A number of self-study techniques were subsequently introduced as tools to clarify and prioritize agency service objectives. Long-term operational and financial policies have been developed as a result.

Vision of the City of Detroit

Because of the continued commitment to “Kids, Cops and Clean,” Detroit is a vibrant, clean city where families have access to new opportunities, technological innovation, and dwell within safe, strong and smart communities. The core values of City government are: courage, integrity and accountability.

Operational Planning and Goals

The hallmarks of City operations management are planning and information. This involves agency level self-study, and

citywide policy making.

In 1995, the City began using the Continuous Improvement Process, a systematic approach “to optimize all resources to produce world class quality products and services at the right time, in the right quantities, based on customer demand”. In 1999, city services were benchmarked in a Detroit Renaissance assessment, and Labor-Management Quality Teams in six departments studied core service processes. The Detroit Renaissance study identified major areas of opportunity in eleven agencies, as well as ten activities currently performed well by the City. Labor-Management Quality Teams in six departments convened employees from all levels to study their core operations: Finance (purchasing and accounts payable), Fire (emergency medical service response time), Transportation (coach maintenance), Recreation (park maintenance), Buildings and Safety Engineering (code enforcement procedures and residential permitting); and the Detroit Zoological Institute.

In 2002, Mayor Kilpatrick convened the Committee on Operational and Financial Re-engineering, a broad-based group charged with reducing costs, eliminating redundant processes, and streamlining city operations. This group made several recommendations which are to be implemented in 2003-04.

Operational planning has occurred in each department using these studies and the participation of all levels of employees to build departmental goals, measures, and targets. Performance indicators have been attached to major measurable service components for tracking. The resulting plans were updated as part of the CitiTrak system

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of management accountability. The Executive Budget presents core performance measures.

The Executive Budget narratives include a “Planning for the Future” section for each agency to describe their 3 - 5 year outlook each year. This section was developed as a result of the setting of strategic directions for the city in 1999. This outlook anticipates expected and possible changes in agency operating environments (accounting for governmental mandates, trends and program initiatives). The agency assessment produced staff, equipment and other resource proposals over the near-term, which were screened and sorted by the Budget Department, with staff from the Human Resources and Information Technology Services Departments. This perspective is informed by a projection of major revenues through 2010.

Citizen input is also factored into operational planning. Since 1997, the City has administered a Survey of Citizen Satisfaction and City Service Priorities in conjunction with the annual public budget meetings. The findings advise the proposals of major General Fund departments (Police, Fire, PLD, Health, DPW and Recreation), and the findings are available every Fall on the City of Detroit website.

The guiding principles used by the City for operational policy decisions are:

- ☆ Standard of efficiency and effectiveness in service delivery
 - a committee of business and labor leaders has been appointed to look for ways to reduce expenses, eliminate redundant processes and streamline

operations, reporting back by the end of May 2002

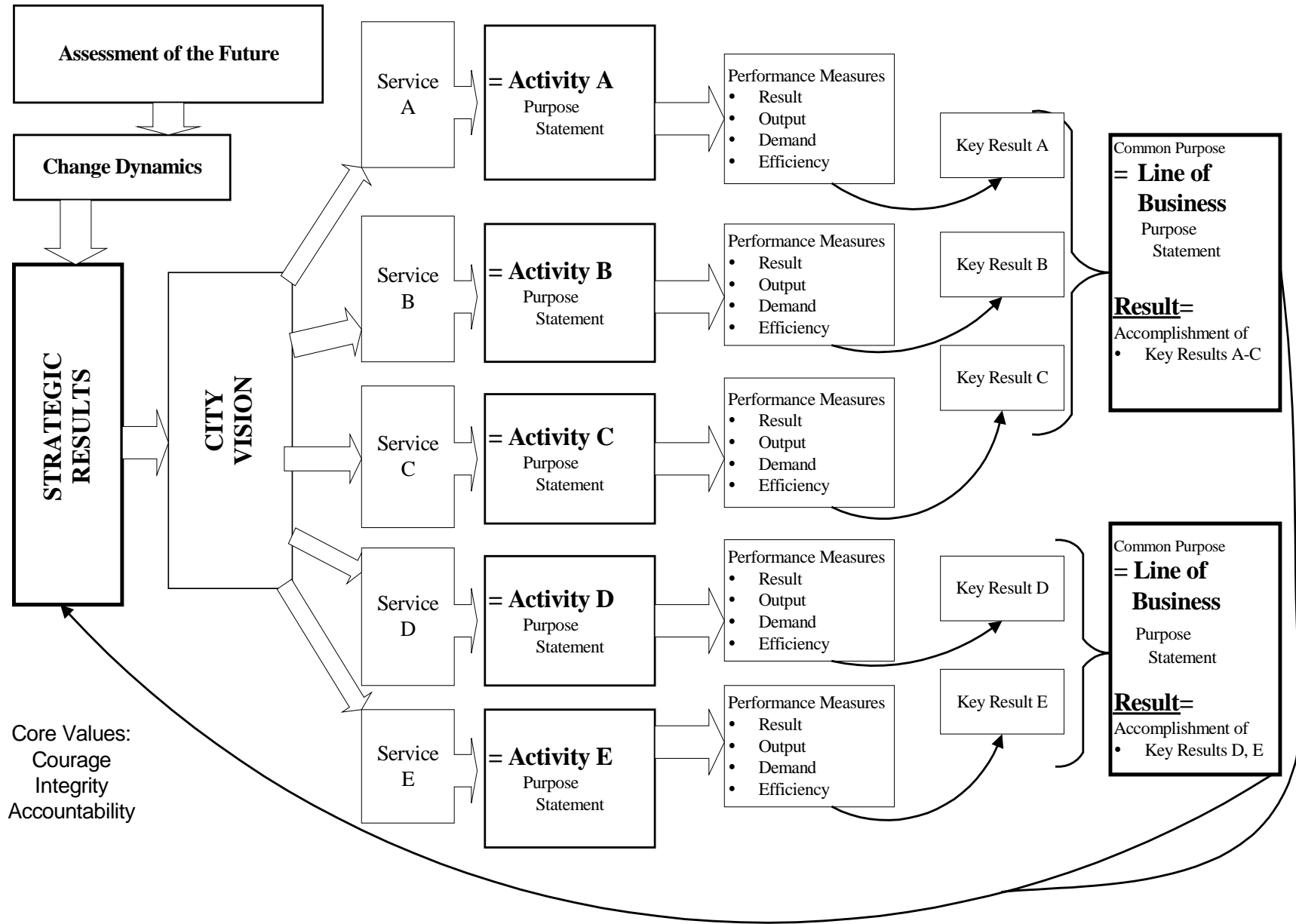
- a capital committee was created early in 2002 to review all substantial city contracts to make sure they are cost effective
 - ☆ Practice of priority-setting to guide resource allocations
 - the initial priorities of the Kilpatrick Administration have been stated as “Kids”, “Cops” and “Clean.”
 - ten community areas defined in a community planning process will be used by field departments to better target neighborhood needs and coordinate city services
 - ☆ Commitment to city service planning
 - laying out and following processes for vehicles, technology, city facilities, and other resource planning
 - longer-term decision making horizons
 - collaboration with citizens, community organizations, businesses, and all other segments of Detroit
 - commitment to performance tracking, benchmarking and other information
 - gathering activities that relate to City services
 - ☆ Open communication of decision making information
 - annual Survey of Citizen Satisfaction and City Service Priorities in conjunction with the annual public budget meetings
 - cycle of user-friendly reports
- Long Term Financial Goals**
- These goals serve as guiding principles for fiscal policy decisions:

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- ☆ Maintain balanced operations.
 - Expenditures will not exceed anticipated revenues.
 - Significant costs for major projects or initiatives will be addressed without affecting the General Fund.
 - The Continuous Improvement Process will be used to reduce current expenditures, improve services and maintain balanced operations.
- ☆ Detail studies of City costs associated with fee based services to insure that service fees cover the related cost.
- ☆ Build Financial Reserves.
 - Gradual build up of funds in the Budget Stabilization Fund
 - Maintain adequate reserves in the Insurance Reserve Fund.
 - Eliminate unfunded liabilities of the Pension Fund.
- ☆ Provide Tax Relief while maintaining essential services.
- ☆ Seek permanent funding sources especially in the areas of the Cultural Arts and Public Transportation.
 - Explore a regional dedicated tax and/or merger with regional entities to ensure the existence of quality services at equitable costs.
- ☆ Revenue collections
 - Generate additional revenues and receive new grant or foundation funding, to increase services.
 - Aggressively collect delinquent revenue owed to the City. New procedures are being developed to actively pursue the collection of all

revenues and maintain an acceptable collection rate.

- ☆ Maximize revenue from State and Federal Governments. The new grants acquisition until will hold the city focus its efforts in this area.
- ☆ Financial Reporting
 - Continuously improve the new financial reporting system.
 - Implement a human resource management system.
- ☆ Enterprise Fund self-sufficiency
 - Develop strategies so that all Enterprise Fund departments will generate sufficient revenues to cover the cost of their operations.
- ☆ Utilizing Resource Recovery to its full capacity
 - Increase the efficiency of the Resource Recovery facility through the marketing of excess capacity to outside entities.
- ☆ Modernize Public Lighting utility
 - Improve reliability and safety at the lowest possible cost.
 - Continue the upgrading of residential and main street lighting.
 - Attain compliance with all applicable, Federal, State and local environmental and safety requirements.
- ☆ Internal five year model
 - These internal models enable the Budget Department to assess changing conditions and plan for operational adjustment



City of Detroit City Service Planning Model